

COMMITTEE ON GOVERNMENT REFORM
TOM DAVIS, CHAIRMAN



MEDIA ADVISORY

For Immediate Release
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Government Reform to Consider
Federal Real Property Bill

What: GOVERNMENT REFORM COMMITTEE BUSINESS MEETING

When: WEDNESDAY, OCTOBER 26, 2005, 10:00 A.M.

Where: ROOM 2154, RAYBURN HOUSE OFFICE BUILDING

Background:

The Government Reform Committee will hold a business meeting to mark up the following:

H.R. 3134, Federal Real Property Disposal Pilot Program and Management Improvement Act of 2005

H.R. 3134, introduced in June by Government Reform Committee Chairman Davis and Budget Committee Chairman Jim Nussle, would authorize the creation of a Federal Real Property Disposal Pilot Program to permit the expedited disposal of excess property, surplus property, or under-performing real property in accordance with the provisions in the legislation. This legislation is intended to improve the management of federal real property, a key component of the President's management agenda.

The Federal government's real estate portfolio has over 3.2 billion square feet in nearly 525,000 buildings valued at over \$328 billion. Despite the hundreds of millions of dollars spent each year to maintain these properties, many are in disrepair, lack updated technological infrastructure, pose health and safety threats, and no longer meet the Federal government's mission needs, earning federal property management a place on GAO's High Risk Series. For example, of the 8,000 buildings managed by the General Services Administration (GSA), more than half are over 50 years old and are in

deteriorating condition requiring an estimated \$5.7 billion in repairs. As a result, agencies are often forced to vacate properties and lease costly space from the private sector.

H.R. 3134 would begin to address these challenges by authorizing the government to dispose of costly real properties it no longer needs, and codifying provisions from President Bush's E.O. 13327, such as the inventory database, the Federal Real Property Council, and the Senior Real Property Officers. The legislation would create a 5-year pilot program to allow for the expedited disposal of federal excess, surplus, or underperforming real properties outside of the bureaucratic conveyance process. Under the pilot, the Director of OMB would select properties to participate in the program, provided the government sold the property at or above fair market value, and provided that the sale would generate proceeds for the government. As an incentive to participate, the affected agency is permitted to retain a portion of those proceeds.

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